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TANNER

TANNER

BUSINESS ADVISORS AND
CERTIFIED PUBLIC ACCOUNTANTS

CRITICAL KNOWLEDGE
PROACTIVE INSIGHT

Envision Utah
How we grow matters.

Financial Statements
As of and for the Years Ended December 31, 2016 and 2015

Together with Independent Auditors' Report

Member of Allinial GLOBAL™
An association of legally independent firms

ENVISION UTAH

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TANNER
BUSINESS ADVISORS AND
CERTIFIED PUBLIC ACCOUNTANTS

Member of Allinial GLOBAL

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Envision Utah

Report on the Financial Statements
We have audited the accompanying financial statements of Envision Utah (the Organization), which comprise the statements of financial position as of December 31, 2016 and 2015, the related statements of activities and cash flows for the years then ended, and the related notes to financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Envision Utah as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Tanner LLC

November 15, 2017

As of December 31,

Assets	2016	2015
Cash	$ 457,744	$ 377,727
Investments	209,947	177,558
Receivables	389,482	176,026
Property and equipment, net	24,081	35,837
Other assets	8,261	8,316
Total assets	$ 1,089,515	$ 775,464
Liabilities and Net Assets		
Liabilities:		
Accounts payable	$ 60,428	$ 59,166
Accrued liabilities	28,766	16,080
Total liabilities	89,194	75,246
Commitments (Note 6)		
Net assets:		
Unrestricted	770,321	605,594
Temporarily restricted	230,000	94,624
Total net assets	1,000,321	700,218
Total liabilities and net assets	$ 1,089,515	$ 775,464

	2016	2015
Change in unrestricted net assets:		
Unrestricted support and revenues:		
Contributions	$ 1,139,476	$ 648,326
Contracts and grants	326,049	776,191
Special events, net of direct benefit to donors of $30,979 and $11,997 in 2016 and 2015, respectively	76,759	41,279
Interest income and other revenues	16,859	9,409
Total unrestricted support and revenues	1,559,143	1,475,205
Net assets released from restrictions	94,624	-
Total unrestricted support, revenues and reclassifications	1,653,767	1,475,205
Expenses:		
Program expenses	1,140,110	1,647,181
Management and general	222,886	224,806
Fundraising	126,044	113,658
Total expenses	1,489,040	1,985,645
Increase (decrease) in unrestricted net assets	164,727	(510,440)
Change in temporarily restricted net assets:		
Temporarily restricted revenues and support:		
Contributions	230,000	94,624
Net assets released from restrictions	(94,624)	-
Increase in temporarily restricted net assets	135,376	94,624
Change in total net assets:		
Total increase (decrease) in net assets	300,103	(415,816)
Total net assets, beginning of the year	700,218	1,116,034
Total net assets, end of the year	$ 1,000,321	$ 700,218

See accompanying notes to financial statements.

For the Years Ended December 31,

	2016	2015
Cash flows from operating activities:		
Increase (decrease) in net assets	$ 300,103	$ (415,816)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	12,356	12,304
Gain on investments	(21)	(57)
Changes in operating assets and liabilities:		
Receivables	(213,456)	217,435
Other assets	55	(2,802)
Accounts payable	1,262	(103,001)
Accrued liabilities	12,686	(20,240)
Net cash provided by (used in) operating activities	112,985	(312,177)
Cash flows from investing activities:		
(Increase) decrease in investments	(32,368)	47,458
Purchases of property and equipment	(600)	(4,950)
Net cash provided by (used in) investing activities	(32,968)	42,508
Net change in cash	80,017	(269,669)
Cash, beginning of the year	377,727	647,396
Cash, end of the year	$ 457,744	$ 377,727

1. Organization and Summary of Significant Accounting Policies

Organization

Founded in 1987, Envision Utah (the Organization) is a multi-issue, non-partisan 501(c)(3) organization that seeks to address critical long-term urban/suburban economic planning issues. Envision Utah was formed to guide the development of a broadly based and publicly supported Quality Growth Strategy - a vision to protect Utah's environment, economic strength, and quality of life for generations to come. In 2013, Envision Utah launched the "Your Utah, Your Future" initiative to establish and implement a vision for maintaining a high quality of life and a strong economy as Utah almost doubles in population in the coming decades. "Your Utah, Your Future" involves eleven focus areas: air quality; education; energy; housing and cost of living; jobs and economy; public lands; recreation; agriculture; transportation and communities; water; and disaster resilience. Envision Utah facilitates stakeholder dialogue and public involvement to pursue a broadly supported vision for the future.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets, as applicable: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

There were no permanently restricted net assets as of December 31, 2016 and 2015.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentrations of Credit Risk

The Organization maintains cash in bank deposit accounts which, at times, exceed federally insured limits. As of December 31, 2016, the Organization had approximately $243,000 of cash that exceeded federally insured limits. To date, the Organization has not experienced a loss of or lack of access to its invested cash; however, no assurance can be provided that access to the Organization's cash will not be impacted by adverse conditions in the financial markets.

Cash Equivalents

The Organization considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

1. Organization and Summary of Significant Accounting Policies
Continued

Concentrations of Support and Revenues

Support and revenues consisted of significant funding from certain government agencies and contributors for the years ended December 31:

	2016	2015
Government Grants		
Agency A	*	85%
Contributions		
Donor A	28%	36%
Donor B	20%	13%
Donor C	*	13%
Donor D	*	13%

* This agency or donor did not provide more than 10% of funding for the year noted.

Concentrations of Receivables

Concentrations of receivables consisted of the following as of December 31:

	2016	2015
Donor E	51%	*
Donor F	27%	*
Agency A	*	68%
Donor C	*	28%

* This agency or donor did not have more than 10% of receivables as of the date noted.

Investments

Investments in marketable securities are reported at their fair values in the statements of financial position. Realized and unrealized gains and losses are included in the statements of activities.

Receivables

Contract revenues from government agencies and other third-party agencies are recognized on the accrual basis whereby revenues are recognized as services are provided. The Organization bills the agencies in accordance with the terms of the respective contracts. Receivables represent uncollateralized receivables from agencies for services, grants, and promises to give.

1. Organization and Summary of Significant Accounting Policies
Continued

Receivables - Continued
The Organization regularly reviews its receivables and makes provisions for potentially uncollectible balances. As of December 31, 2016 and 2015, management concluded that all of the receivables were fully collectible and consequently no allowance for doubtful accounts has been provided.

Promises to Give
Unconditional promises to give expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. Management determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. As of December 31, 2016 and 2015, management has determined that an allowance for uncollectable promises to give is not required.

Unconditional promises to give consist of the following as of December 31:

	2016	2015
Receivable in less than one year	$ 105,000	$ 50,000
Receivable in one to five years	150,000	-
	$ 255,000	$ 50,000

Unconditional promises to give have not been discounted as the discount amounts are considered minor.

Revenue Recognition
Service revenues are recognized in accordance with the terms of service contracts and as the related services are provided. Generally, revenues are recognized when services have been performed and collection is reasonably assured. Amounts received in advance of providing the services are recorded as deferred revenue until earned.

Revenues from cost-reimbursement contracts are recognized as allowable costs are incurred, when a valid contract exists, collection is reasonably assured, and there are no significant obligations remaining.

1. Organization and Summary of Significant Accounting Policies ***Continued***

Contributions
Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted contributions are required to be reported as temporarily or permanently restricted support. Temporarily restricted contributions are reclassified to unrestricted net assets upon expiration of the time restriction or appropriate use of the assets.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Donated materials and equipment are reflected as contributions at their estimated fair values on the date of receipt. When contributions with restrictions are received during a reporting year and expended in accordance with the donor's restrictions during the same year, the contribution is presented as unrestricted revenue and expense. Contributions are recognized when the donor makes an unconditional promise to give to the Organization.

Property and Equipment
Property and equipment purchased by the Organization are capitalized at cost. The fair value of donated property and equipment is similarly capitalized. Depreciation and amortization expense is computed on the straight-line basis over the estimated useful lives of the assets, which range from 3 to 7 years for office equipment.

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation and amortization are removed from the accounts, and any resulting gain or loss is reflected in the statement of activities for the period. Expenditures for maintenance and repairs are charged to expense as incurred.

Donated Services and In-Kind Support
No amounts have been reflected in the financial statements for donated services. The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific programs and assignments. The Organization did not recognize any in-kind support during 2016 or 2015.

Allocation of Expenses
The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. Certain costs have been allocated among the programs and supporting services benefited.

1. Organization and Summary of Significant Accounting Policies *Continued*

Income Taxes
The Organization is a qualified charitable organization under Section 501(c)(3) of the Internal Revenue Code and under state of Utah regulations, and as such, is not subject to federal or state income taxes on related business income. The Organization is subject to taxation on unrelated business income. Unrelated business income has not been significant. Management believes the Organization has taken no tax positions that more likely than not would not be sustained upon examination by taxing authorities. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

Subsequent Events
The Organization has evaluated events and transactions for potential recognition or disclosure through November 15, 2017, which is the date the accompanying financial statements were available to be issued.

2. Fair Value Measurements

The Organization utilizes various methods to measure the fair value of its investments. Accounting principles generally accepted in the United States of America establish a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities.

Level 2: Unobservable prices that are based on inputs not quoted on active markets, but corroborated by market data.

Level 3: Inputs are unobservable, are supported by little or no market activity, and are significant to the fair value of the underlying asset.

The Organization's investments consist solely of a money market fund and are measured at fair value using Level 1 inputs.

3. Receivables

Receivables consist of the following as of December 31:

	2016	2015
Grants and contracts receivable	$ 134,482	$ 126,026
Promises to give	255,000	50,000
	$ 389,482	$ 176,026

4. Property and Equipment

Property and equipment consist of the following as of December 31:

	2016	2015
Office equipment	$ 82,608	$ 85,717
Accumulated depreciation	(58,527)	(49,880)
	$ 24,081	$ 35,837

Depreciation expense for the years ended December 31, 2016 and 2015 was $12,356 and $12,304, respectively.

5. Temporarily Restricted Net Assets

Temporarily restricted net assets are restricted as follows as of December 31:

	2016	2015
Education Implementation Program	$ 200,000	$ -
Quality Communities Project	30,000	-
Your Utah Your Future Program	-	50,000
Utah County Agricultural Toolbox Project	-	44,624
Total temporarily restricted net assets	$ 230,000	$ 94,624

6. Operating Lease

The Organization leases office space under a noncancelable agreement. Future minimum lease payments are as follows:

Years Ending December 31:	
2017	$ 48,870
2018	50,317
	$ 99,187

Rental expense under the operating lease was $47,453 and $42,475 for the years ended December 31, 2016 and 2015, respectively.

7. Retirement Plan

The Organization contributes to a tax deferred annuity or 403(b) plan and has discretion as to the amount it contributes to the plan each year, up to a maximum of 3% of qualified wages. All full-time employees are eligible to participate in the plan once they have been employed for 30 days. For the years ended December 31, 2016 and 2015, the Organization contributed $18,321 and $9,920 to the 403(b) plan, respectively.